

January 19, 2010

FILED  
2010 JAN 19 P 4:14  
PUBLIC UTILITIES  
COMMISSION

The Honorable Chairman and Members of  
the Hawaii Public Utilities Commission  
465 South King Street  
Kekuanaoa Building, Room 103  
Honolulu, Hawaii 96813  
Attention: Ji Sook Kim, Esq.

Re: Docket No. 2009-0161 – In the Matter of the Application of Hawaiian Beaches Water Company, Inc. ("HBWC"), for review and approval of rate increases; revised rate schedules: HBWC Notice of Acceptance of the Proposed Decision and Order, filed on January 14, 2010

---

Dear Commissioners and Commission Staff:

Pursuant to Ordering Paragraph 4 (Section V, subpart 4) and Section IV of the Proposed Decision and Order, filed on January 14, 2010, in Docket No. 2009-0161 ("Proposed Decision and Order"), HBWC hereby provides notice that it accepts, *in toto*, the Proposed Decision and Order.

Pursuant to Ordering Paragraph 3 (Section V, subpart 3) of the Proposed Decision and Order, please also find enclosed HBWC's revised tariff sheets and rate schedules for the Commission's review and approval, which reflect the increases in rates and charges authorized by the Proposed Decision and Order. For ease in review, we are providing the revised tariff sheets and rate schedules in both a clean format, as well as a "black-lined" format showing the changes made from the versions currently on file with the Commission.

In connection with the above, HBWC requests, to the extent possible, that the Commission issue its Decision and Order to allow for an effective date of February 1, 2010 for the revised tariff sheets and rate schedules. A February 1, 2010 effective date will allow implementation of the approved rates without having to prorate a portion of the current flat rate of \$48.06 per month with the fixed monthly charge of \$30.00.<sup>1</sup> In addition to lessening some of the administrative tasks of prorating each customer's billing, HBWC believes it will help to lessen customer confusion. Upon receipt of Commission approval, HBWC will insert the appropriate Decision and Order date, together with the applicable issued and effective dates.

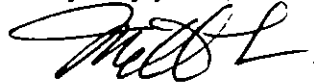
---

<sup>1</sup> Currently, HBWC bills its customers monthly in arrears. Thus, on or around February 1, 2010, HBWC will bill each of its customers for January water service at the "old" rate of \$48.06. On the assumption the Commission approves the new rates effective on February 1, 2010, starting on or around March 1, 2010, HBWC will then bill each customer the \$30.00 monthly fixed charge plus the approved usage rate per 1,000 gallons.

The Honorable Chairman and Members of  
the Hawaii Public Utilities Commission  
January 19, 2010  
Page 2

Thank you for your consideration and issuance of the Proposed Decision and Order. If you should have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael H. Lau".

Michael H. Lau  
Kris N. Nakagawa  
Sandra L. Wilhide

Morihara Lau & Fong LLP  
Attorneys for Hawaiian Beaches  
Water Company, Inc.

Enclosure

c w/enclosure:

Consumer Advocate  
Ms. Katherine M. Prescott  
Mr. Mark J. Prescott

# **REVISED TARIFF SHEETS**

## **(Clean version)**

HBWC Tariff No. 1  
First Revised Sheet 1  
Cancels Original Sheet 1

Sheet

### Revision

[illegible]

T
T

Effective: February \_\_, 2010

Proposed Decision and Order  
filed January 14, 2010 and  
Decision and Order filed  
\_\_\_\_\_, 2010,  
Docket No. 2009-0161.

HAWAIIAN BEACHES WATER COMPANY, INC.  
PAHOA, HAWAII

HBWC Tariff No. 1  
First Revised Sheet 2  
Cancels Original Sheet 2

CHECK LIST SHEET

Sheet

Revision

33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original
41	First
42	First
42A	Original
43	Original
44	Original

T
T
N

---

Issued: January \_\_, 2010

Effective: February \_\_, 2010

By: Katherine M. Prescott,  
President

Proposed Decision and Order  
filed January 14, 2010 and  
Decision and Order filed  
\_\_\_\_\_, 2010,  
Docket No. 2009-0161.

RULE XXVIII

AUTOMATIC POWER COST ADJUSTMENT CLAUSE

Monthly Calculation of APCAC - The Company will calculate the actual cost per kWh for each billing month in accordance with the following calculation. The calculation of the current month Automatic Power Cost Adjustment Clause ("APCAC") rate will be based on the total charge and kWh usage on the current month electric bill(s) from Hawaii Electric Company, Inc. ("HELCO"), the current month customer water usage, and the base per kWh rate of \$0.2900 included in the Commission's Proposed Decision and Order filed on January 14, 2010 ("D&O").

The procedure for the monthly calculation shall follow the following steps. The rate calculated for each current month shall be added to the prior month's APCAC rate and the total shall be used for each current month's billing to the customers.

SAMPLE CALCULATION

1. Electricity Cost on HELCO invoice(s) for the Current Month	\$10,000
2. kWh used as shown on HELCO invoice(s) for the Current Month	<u>31,000</u>
3. Electric Cost Per kWh (Line 1 / Line 2)	\$0.3226
4. Base Electric Cost in D&O	<u>\$0.2900</u>
5. Increase (Decrease) in Cost per kWh (Line 3 - Line 4)	<u>\$0.0326</u>
6. Electric Cost to be Recovered in APCAC (Line 2 * Line 5)	\$ 1,011
7. Current Month Water Sales in 000 gallons	<u>9,500</u>
8. Electric Cost Per 000 gallons (Line 6 / Line 7)	\$0.1064
9. Gross Revenue conversion Factor (1/(1-.06385))	<u>1.068205</u>
10. APCAC Rate per 000 gallons for Current Month (Line 8 * Line 9)	\$0.11366
11. APCAC Rate per 000 gallons Through End of Prior Month	<u>\$0.22732</u>
12. APCAC Rate for Current Month Water Usage Per 000 gallons (Line 10 + Line 11)	\$0.34098

The monthly APCAC rate on line 12 will be multiplied by the Current Month water usage on each customer's water bill together with the Current Month customer charge and the monthly charge for water usage.

Issued: January \_\_, 2010

Effective: February \_\_, 2010

By: Katherine M. Prescott,  
President

Proposed Decision and Order  
filed on January 14, 2010  
and Decision and Order filed  
\_\_\_\_\_, 2010,  
Docket No. 2009-0161

D

N

N

HAWAIIAN BEACHES WATER COMPANY, INC.

RATE SCHEDULE

GENERAL USE RATES

I. Non-Recurring Charges:

- I-A New Water Service Connection Charge.....\$1,500 per connection  
This charge shall be collected from each new customer requesting service at a location where no meter is installed, prior to receiving service. This charge shall be made only once per location where water service is requested. These amounts shall be recorded as Contributions-in-aid-of-Construction
- I-B Voluntary Disconnect and Reconnection Charge.....\$260.00 per request  
This charge shall be applied in each instance where an existing customer requests a temporary suspension of water service for a period of longer than one-month. The purpose of this charge is to compensate the Company for revenue lost by temporary disconnections normally lasting several months while the customer is not at the premises. The charge also includes a charge for the cost of the actual meter shut-off and subsequent turn-on.
- I-C Involuntary Disconnect and Reconnection Charge.....\$60.00 per instance  
This charge shall be applied in each instance where a customer's service has been disconnected for non-payment or other violation of the Company's Rules and Regulations. The purpose of this charge is to recover the cost of the actual meter shut-off and subsequent turn-on.
- I-D Return Check Fee.....\$30.00 plus bank charge to Company  
This charge shall be made for each check provided to the Company by a customer or potential customer in payment of services that is returned to the Company by the bank. This charge is designed to reimburse the Company for its internal costs of processing these returned checks and also for the charge to the Company from the bank for the processing of the returned check. As of October 31, 2006, this returned check bank charge to the Company is \$20.00.

L

D

Issued: January \_\_\_\_, 2010

By: Katherine M. Prescott,  
President

Effective: February \_\_\_\_, 2010

Proposed Decision and Order  
filed on January 14, 2010 and  
Decision and Order filed  
\_\_\_\_\_, 2010, Docket  
No. 2009-0161.

II. Recurring Charges:

Residential (Single Family and Condominiums)	Phase-1 Rates (effective upon PUC Approval)	Phase-2 Rates (effective 6-months after Implementation of Phase-1 Rates)
Monthly Water Service Charge (per unit)	\$30.00	\$30.00
Monthly Water Usage Charge (per 1,000 gallons of water used per month)	\$3.000 [a]	\$4.2237 [a]

[a] This charge shall be effective upon Commission approval and shall be based on an Automatic Power Cost Adjustment Clause ("APCAC") base rate of \$0.2900 per kilowatt hour ("kWh").

III. Automatic Power Cost Adjustment Clause

The above Water Usage rate is based on an electric power cost per kWh of \$0.2900. When the electric power cost is more or less than \$0.2900 per kWh, there shall be a corresponding increase or decrease in monthly water usage charges to customers. The adjustment shall be calculated and included on customers' monthly bills.

Issued: January 19, 2010

By: Katherine M. Prescott,  
President

Effective: February 1, 2010

Proposed Decision and Order  
filed on January 14, 2010 and  
Decision and Order filed  
\_\_\_\_\_, 2010, Docket  
No. 2009-0161.

**REVISED TARIFF SHEETS**  
**(Black-lined version)**

HAWAIIAN BEACHES WATER COMPANY, INC.  
PAHOA, HAWAII

HBWC Tariff No. 1  
First Revised Sheet 1  
~~Cancels-~~ Original Sheet 1

CHECK LIST SHEET

Sheet

Revision

1	<del>Original</del> First	<div>T</div>
2	<del>Original</del> First	
3	Original	
4	Original	
5	Original	
6	Original	
7	Original	
8	Original	
9	Original	
10	Original	
11	Original	
12	Original	
13	Original	
14	Original	
15	Original	
16	Original	
17	Original	
18	Original	
19	Original	
20	Original	
21	Original	
22	Original	
22	Original	
23	Original	
24	Original	
25	Original	
26	Original	
27	Original	
28	Original	
29	Original	
30	Original	
31	Original	
32	Original	

Issued: January , 2010

~~June 28, 2007~~Effective: ~~July 1, 2007~~February , 20

By: Katherine M. Prescott,  
No. 23469 President

Proposed Decision and Order  
filed January 14, 2010 and  
~~Decision and Order~~Decision and Order -filed  
\_\_\_\_\_, 2010, 2010,

Docket No. 2009-0161Docket No. 2009-0161No. 23513

HAWAIIAN BEACHES WATER COMPANY, INC.  
PAHOA, HAWAII  
~~Original~~ Sheet 2

HBWC Tariff No. 1  
~~First Revised~~  
Cancels Original Sheet 2

CHECK LIST SHEET

<u>Sheet</u>	<u>Revision</u>
33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original
41	<del>First</del> Original
42	<del>First</del> Original
42A	Original
43	Original
44	Original

T  
T  
N

Issued: January, 2010~~June 28, 2007~~  
~~Effective:~~ February, 2010~~July 1, 2007~~

By: Katherine M. Prescott,  
President

Proposed Decision and Order  
filed January 14, 2010 and  
Decision and Order filed  
, 2010,  
Docket No. 2009-0161.

RULE XXVIII

ELECTRIC-AUTOMATIC POWER COST ADJUSTMENT CLAUSE

POWER ADJUSTMENT CLAUSE

The recurring monthly charge for water service of as set forth in the Rate Schedule in this Tariff is based on an electric power cost of \$0.8253 per thousand gallons. When the electric power cost, as calculated using the formula shown below, is more or less than \$0.8253 per thousand gallons, there shall be a corresponding increase or decrease in the above rate. The adjustment shall be applied to an average consumption of 17,000 gallons per customer on the subsequent monthly billing.

The electric power cost shall be calculated each month by the following formula:

Electric Power Cost Per Thousand Gallons

$$\frac{\text{Monthly Electric Power Cost}}{\text{Monthly Volume Pump(ed) in Thousand Gallons} \times 90\%}$$

Monthly Calculation of APCAC - The Company will calculate the actual cost per kWh for each billing month in accordance with the following calculation. The calculation of the current month Automatic Power Cost Adjustment Clause ("APCAC") rate will be based on the total charge and kWh usage on the current month electric bill(s) from Hawaii Electric Company, Inc. ("HELCO"), the current month customer water usage, and the base per kWh rate of \$0.2900 included in the Commission's Proposed Decision and Order filed on January 14, 2010 ("D&O").

The procedure for the monthly calculation shall follow the following steps. The rate calculated for each current month shall be added to the prior month's APCAC rate and the total shall be used for each current month's billing to the customers.

SAMPLE CALCULATION

1. Electricity Cost on HELCO invoice(s) for the Current Month	\$10,000
2. kWh used as shown on HELCO invoice(s) for the Current Month	31,000
3. Electric Cost Per kWh (Line 1 / Line 2)	\$0.3226
4. Base Electric Cost in D&O	\$0.2900

Issued: January, 2010 ~~June 28, 2007~~  
Effective: February, 2010 ~~July 1, 2007~~

By: Katherine M. Prescott,  
No. 23469  
President

Proposed Decision and Order  
filed on January 14, 2010  
and Decision and Order filed  
2010, No  
Docket No. 2009-0161, 23513

HAWAIIAN BEACHES WATER COMPANY, INC.  
PAHOA, HAWAII

HBWC Tariff No. 1  
First Revised Sheet 41  
Cancels Original Sheet 41

5. Increase (Decrease) in Cost per kWh	\$0.0326
(Line 3 - Line 4)	
6. Electric Cost to be Recovered in APCAC	\$ 1,011
(Line 2 * Line 5)	
7. Current Month Water Sales in 000 gallons	9,500
8. Electric Cost Per 000 gallons	\$0.1064
(Line 6 / Line 7)	
9. Gross Revenue conversion Factor (1/(1-.06385))	1.068205
10. APCAC Rate per 000 gallons for Current Month	\$0.11366
(Line 8 * Line 9)	
11. APCAC Rate per 000 gallons Through End of Prior Month	\$0.22732
12. APCAC Rate for Current Month Water Usage Per 000 gallons	\$0.34098
(Line 10 + Line 11)	

The monthly APCAC rate on line 12 will be multiplied by the Current Month water usage on each customer's water bill together with the Current Month customer charge and the monthly charge for water usage.

N

Issued: January, 2010~~June 28, 2007~~  
Effective: February, 2010~~July 1, 2007~~

By: Katherine M. Prescott,  
No. 23469  
President

Proposed Decision and Order  
filed on January 14, 2010  
and Decision and Order filed  
, 2010, No  
Docket No. 2009-0161, 23513---

HAWAIIAN BEACHES WATER COMPANY, INC.

RATE SCHEDULE

GENERAL USE RATES

I. Non-Recurring Charges:

- I-A New Water Service Connection Charge.....\$1,500 per connection  
This charge shall be collected from each new customer requesting service at a location where no meter is installed, prior to receiving service. This charge shall be made only once per location where water service is requested. These amounts shall be recorded as Contributions-in-aid-of-Construction
- I-B Voluntary Disconnect and Reconnection Charge.....\$260.00 per request  
This charge shall be applied in each instance where an existing customer requests a temporary suspension of water service for a period of longer than one-month. The purpose of this charge is to compensate the Company for revenue lost by temporary disconnections normally lasting several months while the customer is not at the premises. The charge also includes a charge for the cost of the actual meter shut-off and subsequent turn-on.
- I-C Involuntary Disconnect and Reconnection Charge.....\$60.00 per instance  
This charge shall be applied in each instance where a customer's service has been disconnected for non-payment or other violation of the Company's Rules and Regulations. The purpose of this charge is to recover the cost of the actual meter shut-off and subsequent turn-on.
- I-D Return Check Fee.....\$30.00 plus bank charge to Company  
This charge shall be made for each check provided to the Company by a customer or potential customer in payment of services that is returned to the Company by the bank. This charge is designed to reimburse the Company for its internal costs of processing these returned checks and also for the charge to the Company from the bank for the processing of the returned check. As of October 31, 2006, this returned check bank charge to the Company is \$20.00.

~~II. Recurring Charges:~~

~~II-A Water Service Charge~~

L

Issued: January, 2010 ~~June 28, 2007~~  
July 1, 2007

~~Effective:~~ February

By: Katherine M. Prescott,  
No. 23469  
President

Proposed Decision and Order  
filed on January 14, 2010 and  
Decision and Order filed  
, 2010, Docket  
No. 2009-0161. No. 23513

<del>Customer Class</del>	<del>First Phase</del> <del>(7/01/07)</del>	<del>Second Phase</del> <del>(1/01/08)</del>	<del>Third Phase</del> <del>(7/01/08)</del>	<del>Fourth Phase</del> <del>(1/01/09)</del>
<del>Residential--(Single--</del> <del>Family--and--</del> <del>Condominiums)--</del> <del>(monthly service--</del> <del>charge--per--customer)</del>	<del>\$28.73</del>	<del>\$35.24</del>	<del>\$41.76</del>	<del>\$48.06</del>

D

**EXHIBIT A**

Issued: June 27, 2007

Effective: July 1, 2007

By: Katherine M. Prescott,  
President

Decision and Order No. 23469  
and Order No. 23513

II. Recurring Charges:

<u>Residential</u> <u>(Single Family and</u> <u>Condominiums)</u>	<u>Phase-1</u> <u>Rates</u> <u>(effective</u> <u>upon PUC</u> <u>Approval)</u>	<u>Phase-2</u> <u>Rates</u> <u>(effective</u> <u>6-months after</u> <u>Implementation</u> <u>of Phase-1</u> <u>Rates)</u>
<u>Monthly Water Service Charge</u> <u>(per unit)</u>	<u>\$30.00</u>	<u>\$30.00</u>
<u>Monthly Water Usage Charge (per</u> <u>1,000 gallons of water used per</u> <u>month)</u>	<u>\$3.000 [a]</u>	<u>\$4.2237 [a]</u>

[a] This charge shall be effective upon Commission approval and shall  
be based on an Automatic Power Cost Adjustment Clause ("APCAC")  
base rate of \$0.2900 per kilowatt hour ("kWh").

III. Automatic Power Cost Adjustment Clause

The above Water Usage rate is based on an electric power cost per kWh of  
\$0.2900. When the electric power cost is more or less than \$0.2900 per  
kWh, there shall be a corresponding increase or decrease in monthly  
water usage charges to customers. The adjustment shall be calculated  
and included on customers' monthly bills.

Issued: January 19, 2010

Effective: February 1, 2010

By: Katherine M. Prescott,  
President

Proposed Decision and Order  
filed on January 14, 2010 and  
Decision and Order filed  
, 2010, Docket  
No. 2009-0161.